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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
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Correspondence Address	KAY LYN SCHWARTZ GARDERE WYNNE SEWELL LLP 3000 THANKSGIVING SQUARE, 1601 ELM STREET DALLAS, TX 75201-4761 UNITED STATES
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Filer's Name	Kay Lyn Schwartz
Filer's e-mail	kschwartz@gardere.com, jfulmer@gardere.com, ip@gardere.com
Signature	/Kay Lyn Schwartz/
Date	03/26/2012

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

In re Application of: Varel International Ind., L.P.  
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Examining Attorney: Amy L. Kertgate  
Trademark Examining Attorney  
Law Office 113  
(571) 272-1943  
Mark: VULCAN

Commissioner for Trademarks  
P.O. Box 1451  
Alexandria, Virginia 22313-1451

**APPLICANT'S APPEAL BRIEF**

Respectfully submitted:

GARDERE WYNNE SEWELL LLP  
Kay Lyn Schwartz  
3000 Thanksgiving Tower  
1601 Elm Street  
Dallas, Texas 75201  
(214) 999-4702

ATTORNEYS FOR APPLICANT  
VAREL INTERNATIONAL IND., L.P.

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## **INTRODUCTION**

Pursuant to its Notice of Appeal filed November 16, 2011, Varel International Ind., L.P. (“*Applicant*”) has appealed the Trademark Examining Attorney’s refusal to register Applicant’s trademark “VULCAN” (the “*Mark*”) for “*high abrasion resistant polycrystalline diamond compact (PDC) cutters for installation in rotary drag bits for use in drilling oil and gas wells*” under Trademark Act Section 2(d), 15 U.S.C. 1052(d) (likelihood of confusion).

### **I. FACTS**

In the initial Office Action dated March 12, 2010, the second Office Action dated October 14, 2010, and the subsequent Office Action (made final) dated May 16, 2011, the Examining Attorney has refused registration of the Mark on the basis of Section 2(d) (likelihood of confusion). Applicant has argued that there is no likelihood of confusion between the Mark and the mark of the cited registration (U.S. Reg. 3,815,974) for a stylized mark “VULCAN” (and design) for “drilling tools, namely, power driven diamond core drilling bits sold only to the core drilling and geotechnical industries” in Class 7.

The Examining Attorney denied Applicant’s Request for Reconsideration and Applicant has been forced to appeal the Examiner’s refusals.

### **II. ISSUE**

The issue in this appeal is whether there is a likelihood of confusion between Applicant’s Mark “VULCAN” for “*high abrasion resistant polycrystalline diamond compact (PDC) cutters for installation in rotary drag bits for use in drilling oil and gas well*” and the mark in U.S. Reg. No. 3,815,974 (“VULCAN” (and design)) for “*drilling tools, namely, power driven diamond core drilling bits sold only to the core drilling and geotechnical industries*”.

Based on the evidence of record, the Trademark Act, and the reasons presented herein, Applicant submits that the refusal to register under Section 2(d) is improper as there is no likelihood of confusion between Applicant's mark and the Mark of the cited registration.

Applicant respectfully requests that the final refusal of the Examining Attorney be reversed.

### **III. ARGUMENT**

Applicant's Mark is not so similar to the cited mark as used in connection with the recited goods as to cause confusion within the meaning of 15 U.S.C. § 1052(d). The Court of Customs and Patent Appeals in *In Re E.I. Du Pont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563 (CCPA 1973) set forth thirteen (13) factors to be considered in determining whether a likelihood of confusion exists. Therein, the court noted that the determination should be based upon the evidence in its entirety. In addition, the court rejected the theory that a "litmus rule" existed which could serve to decide all cases concerning the likelihood of confusion. The thirteen (13) factors set forth by the Court of Customs and Patent Appeals are as follows:

1. The similarity or dissimilarity of the marks in their entireties as to appearance, sound, connotation and commercial impression.
2. The similarity or dissimilarity and nature of the goods or services as described in an application or registration or in connection with which a prior mark is in use.
3. The similarity or dissimilarity of established, likely-to-continue trade channels.
4. The conditions under which and buyers to whom sales are made, i.e. "impulse" versus careful, sophisticated purchasing.
5. The fame of the prior mark (sales, advertising, length of use).
6. The number and nature of similar marks in use on similar goods.
7. The nature and extent of any actual confusion.
8. The length of time during and conditions under which there has been concurrent use without evidence of actual confusion.

9. The variety of goods on which a mark is or is not used (house mark, “family” mark, product mark).
10. The market interface between the applicant and the owner of a prior mark.
11. The extent to which an applicant has a right to exclude others from use of its mark on its goods.
12. The extent of potential confusion, i.e. whether de minimus or substantial.
13. Any other established fact probative of the effect of use.

The Court of Appeals for the Federal Circuit acknowledged the role of the *Du Pont* factors in *Specialty Brands v. Coffee Bean Distributors, Inc.*, 748 F.2d 669, 223 USPQ 1281 (Fed. Cir. 1984) and expressly disapproved of the old “sight, sound and meaning” test applied in the past. The Trademark Trial and Appeal Board applied the *Du Pont* standards in *In Re Drums Ltd.*, 210 USPQ 222 (TTAB 1981), recognizing the principle that for the purpose of determining a likelihood of confusion, marks should be considered in their entirety and not scrutinized in an analytical vacuum. Authorities are clear that in determining the likelihood of confusion, the marks should be viewed in their entirety. *Franklin Mint Corp. v. Master Manufacturing Co.*, 667 F.2d 1005, 212 USPQ 233 (CCPA 1981); *Massey Junior College, Inc. v. Fashion Institute of Technology*, 492 F.2d 1399, 181 USPQ 272 (CCPA 1974).

As the Board is aware, the evidentiary factors of *Du Pont* are not listed in order of merit, “[e]ach may from case to case play a dominate role.” *Du Pont* at 1361-1362; TMEP § 1201.01. In considering the totality of the facts and circumstances, the evidence of record demonstrates that there is no likelihood of confusion between Applicant’s Mark and the mark of the cited registration.

**Likelihood of Confusion is not Automatically Found Even When the Marks are Identical**

Even when the marks are identical (which is not the case here – as the record makes clear), likelihood of confusion is not automatically found where the totality of circumstances



surrounding the use of the marks in commerce is sufficiently different. For example, the Trademark Trial and Appeal Board found that the identical marks “PALM BAY” for women’s shoes and “PALM BAY” for men’s, women’s and children’s shoes and shorts were not confusingly similar. Considering the totality of the facts and circumstances, the TTAB decided that the difference in the channel of trade (retail vs. wholesale), a design feature in one of the marks and the differences in the goods made confusion unlikely. *In re The Shoe Works, Inc.*, 6 USPQ 2d 1980, 1891 (TTAB 1988). In another case, a district court found that the mark “TAJ MAHAL” for an Indian restaurant was not confusingly similar to “TAJ MAHAL” for a casino-hotel. *Taj Mahal Enterprises Ltd. v. Trump*, 745 F.Supp. 240 (D.N.J. 1990). A hotel would obviously offer food services, making the relationship between the services offered under these two marks similar to the relationship of the goods seeking to be registered and the cited goods at issue here as a grocery store would offer both goods. However, the district court above found no confusion between identical marks.

Similarly, in the instant case, by reviewing the totality of facts and all the circumstances surrounding use of the marks in commerce, one will recognize that there is no likelihood of confusion.

The Examining Attorney’s refusal to register Applicant’s Mark on the basis of a likelihood of confusion does not reflect the holistic evaluation mandated by *Du Pont*, *Specialty Brands*, and *Drums*. In fact, in the Denial of Applicant’s Reconsideration Request, the Examining Attorney gives lip serve to the *Du Pont* factors, but then, explicitly states that the likelihood of determination only involves a “two-part analysis”: (1) comparing the marks for similarities in appearance, sound, connotation, and commercial impression, and (2) comparing the goods/services. See Request for Reconsideration Denied, dated January 6, 2012. Applicant

respectfully submit that a proper analysis – considering all the evidence of record – results in the conclusion there is no likelihood of confusion between Applicant’s mark and the mark of U.S. Reg. 3,815,974).

**The marks are not identical**

Applicant’s Mark is not identical to the cited Registrant’s mark. Applicant’s Mark is “VULCAN.” In contrast, the cited Registrant’s mark (noted below), is a highly stylized mark containing an initial letter “V” (which contains associated stylization suggesting movement), the letters “UL”, which are then followed by the letters “CAN”. The letters “CAN” are demarked/emphasized from the rest of the mark with a line element/stylization above the letters, as shown below:



The emphasis of “CAN” is highly relevant to consideration of the mark as a whole, such that when spoken, the mark may be pronounced, “Vul” “CAN” with more emphasis on the “CAN” part of the mark, the same way someone might say they are able to accomplishing something when encountering resistance (e.g., I CAN do it if you let me). The commercial impression created by the mark clearly encompasses the latter part of the mark (the “CAN” element) which is set apart from the mark with the over-arching line element, suggesting that “VUL” CAN...do it, “VUL” CAN get the job done, etc.

Contrary to the Examining Attorney’s assertion, the marks are not identical visually, in sound, meaning, or commercial impression. Applicant respectfully submits that the marks at

issue create different commercial impressions, and the first prong of the test for likelihood of confusion is not met. The marks are not legally similar.

Case law supports Applicant's argument that products bearing nearly identical marks do not necessarily give rise to finding of likelihood of confusion. In *Intext, Inc. v. Informatics, Inc.*, 185 USPQ 569 (TTAB 1975), no likelihood of confusion was found from the use of "ICS" as a service mark and trademark on instructional materials relative to the use of the mark "ICS" on educational materials. In *Sunbeam Lighting Co. v. Sunbeam Corp.*, 183 F.2d 969 (9<sup>th</sup> Cir. 1950), no likelihood of confusion was found from use of the mark "SUNBEAM" on fluorescent lamps relative to the use of mark "SUNBEAM" on electrical appliances. In *California Fruit Growers Exchange v. Sunkist Baking Co.*, 166 F.2d 971 (7<sup>th</sup> Cir. 1947), no likelihood of confusion was found from the use of the mark "SUNKIST" on bread, relative to the use of the mark "SUNKIST" on fruits and vegetables. In *Federal Telegraph and Radio Corp. v. Federal Television Corp.*, 180 F.2d 250 (2<sup>nd</sup> Cir. 1950), no likelihood of confusion was found from use of the mark "FEDERAL" on radio supplies in relation to the use of the mark "FEDERAL" on television sets. These cases further support Applicant's assertion that no likelihood of confusion will result from the registration of Applicant's Mark on its claimed goods.

While the general guideline that likelihood of confusion is not necessarily obviated only by adding or deleting a term that is descriptive or suggestive of the goods or service, citing in *Re El Torito Restaurants, Inc.*, 9 USPQ2d 2002 (TTAB 1988); TMEP § 1207.01(b)(i), it is incumbent to note that there exists an important and strong exception to the general guideline regarding additions or deletions to marks. When "[t]he marks in their entireties convey significantly different commercial impressions" the marks may be distinguishable, giving rise to an exception to the general rule. TMEP § 1207.01(b)(i); *In Re Farm Fresh Catfish Co.*, 231

USPQ 495 (TTAB 1986). Clearly in the present case, the marks are not identical. Applicant's Mark is visually distinctive from the cited mark.

In determining whether confusing similarity exists, it is improper to dissect the mark at issue and focus on similarities while down playing or ignoring significant differences that may make the mark registerable. *Franklin Mint Corp. v. Master Mfg. Corp.*, 667 F.2d 1005, 212 USPQ 223 (CCPA 1981); *Sun-Fun Products, Inc. v. Suntan Research & Development*, 656 F.2d 186, 213 USPQ 91 (5<sup>th</sup> Cir. 1981). It is the impression the mark as a whole creates with the average consumer that is most important. *Clairol, Inc. v. Roux Lab, Inc.*, 442 F.2d 980, 169 USPQ 589 (CCPA 1971). The marks in their entireties are dissimilar.

Any similarity in meaning or connotation is to be determined by focusing on the recollection of the average purchaser who normally retains a general rather than specific impression of a mark. *In Re Uncle Sam Chemical Co.*, 229 USPQ 233 (TTAB 1986); TMEP § 1207.01(b) (i). Also, "[e]ven marks which are identical in sound and/or appearance may create sufficiently different commercial impressions when applied to the respective parties' goods or services so that there is no likelihood of confusion." TMEP 1201.01(b)(i); *In Re Sears, Roebuck and Co.*, 2 USPQ2d 1312 (TTAB 1987) (CROSS-OVER for bras held not likely to be confused with CROSSOVER for ladies sportswear).

The purchaser, who in this case is highly sophisticated, of the respective goods of the cited mark and the goods of the Applicant would retain very different commercial connotations of the marks. The very different commercial impressions generated by Applicant's Mark and the cited mark are even more distinctive than the commercial impressions in *Sears*, where no likelihood of confusion was found.

Clearly, the marks are sufficiently distinctive as to commercial impressions and meaning or connotation such that no likelihood of confusion exists. In *In Re 1776*, 223 USPQ 186 (TTAB1984) the mark “MAMMA’S” was sought to be registered by the applicant. However, three registered trademarks employing the term “MAMMA” and/or slight derivations thereof were cited in the examining attorney’s rejection. All of the marks, including that of the applicant in the case, were used to identify restaurant services, but the Board held that no likelihood of confusion existed.

When the marks at issue are viewed in accordance with *Farm Fresh Catfish*, *Uncle Sam Chemical*, and *In Re 1776*, the marks are highly distinctive and the relationship of Applicant’s goods and Registrant’s goods is more tenuous, thereby evoking different commercial impressions. In no way do the marks create the same overall impression, and the recollection of the average purchaser who normally retains a general rather than a specific impression of trademarks would doubtless find that the marks are distinctively different and have distinctive commercial impressions and meaning or connotations, such that no likelihood of confusion results. The purchaser would not mistakenly believe that Applicant’s goods offered under the mark “VULCAN” originate with, are sponsored by, or are in some way associated with the goods under the cited registration.

**The goods are completely different**

The cited Registrant’s mark is for a specialized core drilling bit. See Applicant’s April 15, 2011 Response, **Exhibit A**, **Exhibit B**. Applicant’s goods, in contrast, are not bits, but rather cutters which are installed on a different type of bit, a rotary drag bit used for a completely different type of application. Applicant’s PDC “cutter” is not a bit, but rather is a highly

specialized product, incorporated as a component in the end product of a rotary drag bit. Applicant's goods are entirely different from the Registrant's goods.

The evidence of record amply supports this fundamental difference. Registrant's good – which is a core drilling bit - is designed specifically to rotate and penetrate materials in order to remove a cylinder of material. *See* Applicant's April 15, 2011 Response, **Exhibit B** attached hereto and incorporated by reference. The material left inside the drill bit is referred to as the "core." Core drills are used for many applications including recovering "core" samples (such as for example in mineral exploration) which are then recovered and examined by geologists. As such, the cited Registrant's good is a specific type of bit – a core drilling bit - that is sold only to the "core drilling" and "geotechnical industries."

In complete contrast, Applicant's goods are high abrasion resistant polycrystalline diamond compact (PDC) cutters for installation in rotary drag bits for use in drilling oil and gas wells. Applicant's PDC "cutter" is not a bit, but rather is a highly specialized product, generally cylindrical in shape. *See* Applicant's April 15, 2011 Response, **Exhibit C**. The cutter contains a highly abrasive-resistant surface (the black portion shown in Exhibit C), which, in essence, enables the device to remain sharp during use. Applicant's goods are incorporated as a component in the end product of a rotary drag bit. Applicant's goods are entirely different from the Registrant's goods. There are various components that might make up a rotary drag bit, such as for example, "metal" (to the extent the bit contains metal on its surface) or "diamonds" (to the extent that the bit includes such materials). Applicant's product likewise is a component for incorporating into the cutting edge of a rotary drag bit. *Id.*

**The goods are also not “related”**

As the marks are not identical, the Examining Attorney must show that there is more than just a “viable relationship” between the goods. See *In re Shell Oil Co.*, 992 F.2d 1204, 26 USPQ2d 1687 (Fed. Cir. 1993); *In re Opus One Inc.*, 60 USPQ2d 1812 (TTAB 2001); and *In re Concordia International Forwarding Corp.*, 222 USPQ 355 (TTAB 1983). As has been made of record, the respective goods of the Applicant and cited Registrant are totally different. And furthermore, the respective different goods are not related and would be marketed differently to very sophisticated consumers purchasing different products for different applications. The case law is clear that if the goods in question are not related or marketed in such a way that they would be encountered by the same persons in situations that would create the incorrect assumption that they originate from the same source, then, even if the marks are identical (which these are not), confusion is not likely. See, e.g., *Quartz Radiation Corp. v. Comm/Scope Co.*, 1 USPQ2d 1668, 1669 (TTAB 1986) (holding QR for coaxial cable and QR for various apparatus used in connection with photocopying, drafting, and blueprint machines not likely to cause confusion because of the differences between the parties’ respective goods in terms of their nature and purpose, how they are promoted, and who they are purchased by); *Shen Mfg. Co. v. Ritz Hotel Ltd.*, 393 F.3d 1238, 1244-45, 73 USPQ2d 1350, 1356 (Fed. Cir. 2004) (reversing TTAB’s holding that contemporaneous use of RITZ for cooking and wine selection classes and RITZ for kitchen textiles is likely to cause confusion, because the relatedness of the respective goods and services was not supported by substantial evidence); *Local Trademarks, Inc. v. Handy Boys Inc.*, 16 USPQ2d 1156, 1158 (TTAB 1990) (finding liquid drain opener and advertising services in the plumbing field to be such different goods and services that confusion as to their source is unlikely even if they are offered under the same marks).

The Examining Attorney provides various printouts and alleges that they demonstrate that the Applicant's and Registrant's goods are "related" (i.e., alleging that PDC cutters can be used in the mining and geotechnical fields, and core drill bits are used in the oil and gas industry). Applicant submits that a close examination of the evidence submitted by the Examining Attorney shows this is not the case. Applicant disputes all the evidence relied upon by the Examining Attorney, see e.g., attachments to Final Office Action.

Take for example, the printout attached to Applicant's November 16, 2011 Response to Final Office Action as **Exhibit A**. This appears to be an excerpt from a news article. Reading the article in context, the article does not relate to "core drill bits" (as was what was entered as a search term), but rather, drill bits that are at the essence or "core" of the company's technology (i.e., "The disposition of these assets will allow [Company]...to increase its focus on the delivery of our core drill bit technologies."). Similarly, the printout attached as **Exhibit B** to Applicant's November 16, 2011 Response to Final Office Action appears to be random paragraphs coupled together, some of which reference the term "core drilling" (in the context of describing this particular drilling technique), and other paragraphs reference the term "PDC Cutter"). Applicant respectfully submits that the fact that two terms appear in an article together does not make those products "related" for purposes of a likelihood of confusion determination.

A further review of the evidence of record confirms the complete contrast between Applicant's goods and the cited Registrant's goods. Take for example, the material attached as **Exhibit C** to Applicant's November 16, 2011 Response to Final Office Action. This appears to be an article referencing various "drill types". As referenced in this material, "there are two basic types of drills: drills which produce rock chips, and drills which produce core samples." Diamond core drilling utilizes an annular diamond-impregnated drill bit attached to the end of



hollow drill rods to cut a cylindrical core of solid rock. Core drilling is “much slower than reverse circulation (RC) drilling due the hardness of the ground being drilled”. “Diamond rigs need to drill slowly to lengthen the life of drill bits and rods, which are very expensive.” “Core samples are retrieved via the use of a “lifter tube” a hollow tube lowered inside the rod. As the core is drilled, the core barrel slides over the core as it is cut” (which is then later removed from the hole, and the core sample is then removed from the core barrel). *See* Applicant’s November 16, 2011 Response to Final Office Action, **Exhibit C**.

In contrast, rotary drilling is used to “wear away at the cutting face” because “there is no need to return intact samples to the surface for assay (as in core drilling, noted above) as the objective is to reach a formation containing oil or natural gas.” *Id.*

The Federal Circuit and the Board have recognized that routine database searches (which may return data containing various terms in the same document making it seem “relevant”) are often unreliable and inaccurate. *See e.g., In re Merrill Lynch, Pierce, Fenner and Smith*, 828 F.2d 1567, 1571 (Fed. Cir. 1987) (“it is remarkable to see the thoroughness with which NEXIS can regurgitate a term casually mentioned in the news”); *see also In re Wells Fargo & Co.*, USPQ 106, 110 (TTAB 1986) ([i]t is virtually impossible to ascertain whether these quasi descriptive references merely reflect carelessness on the part of reporters or editors who wrote them (perhaps retelling from their own opinions as to the term’s descriptive character) rather than descriptive usage by the companies offering the service to which the terms appeared); *In re Garan, Inc.*, 3 USPQ.2d 1537, 1540 n. 10 (TTAB 1987) (finding seven NEXIS references to be insufficient to establish that a mark was primarily merely a surname given the vastness of the NEXIS’ databases consisting of more than 21 billion characters of information and over nine million news stories).

As demonstrated above – simply because two terms appear in a single reference in an internet search conducting by an Examining Attorney does not make the underlying goods “related” for trademark purposes. A closer examination is required, including considering actual marketplace realities. Applicant respectfully submits that the Examining Attorney has not met the burden of demonstrating that the goods at issue are related much less that the marks – when considering all the relevant facts and circumstances, including actual marketplace realities - are likely to cause confusion.

**The channels of trade/consumers are different, and the consumers are highly sophisticated**

In addition to the differences in the relevant goods, the channels of trade and the consumers of the cited Registrant’s goods and the Applicant’s goods are different. The cited Registrant’s goods for the specific type of core drilling bit – designed for a specific purpose – core drilling - would be sold to sophisticated consumers in the core drilling and geotechnical industries engaged in core drilling. Likelihood of confusion is not found where the purchasers of the goods and services at issue are sophisticated. *M&G Electronics Sales Corp. v. Sony Kabushiki Kaisha*, 250 F. Supp. 29, 104 (E.D. N.Y. 2003). Clearly, the consumers of the respective different goods of the respective different marks would not be confused in encountering the marks at issue.

The market for Applicant's goods is distinctively different than the market for the cited Registrant's goods. Like Registrant’s goods, Applicant’s goods would be purchased by sophisticated industrial customers only after careful consideration. An industrial consumer engaged in drilling oil and gas wells would have specific needs in the types of equipment necessary for successfully drilling such specialized wells. As such, the consumer would be highly sophisticated and much consideration would be given before purchasing any goods. The

same is true for the different industrial consumer having different needs purchasing the very different core drilling bit product of Registrant. This consumer also will be sophisticated with much consideration being given in connection with the purchase.

This difference is already recognized in Registrant's recitation of goods - - Registrant's goods have a defined targeted use in markets who are specifically looking for core drilling bits. As Registrant has admitted, its bit would be purchased by sophisticated industrial customers only after careful consideration.

As the Federal Circuit has recognized, circumstances suggesting care in purchasing tend to minimize any likelihood of confusion. *See, e.g., In re N.A.D., Inc.*, 754 F.2d 996, 999-1000, 224 USPQ 969, 971 (Fed. Cir. 1985) (concluding that, because only sophisticated purchasers exercising great care would purchase the relevant goods, there would be no likelihood of confusion merely because of the similarity between the marks NARCO and NARKOMED); *See also In re Homeland Vinyl Prods., Inc.*, 81 USPQ2d 1378, 1380, 1383 (TTAB 2006). Like Registrant's goods, Applicant's goods would be purchased by sophisticated industrial customers only after careful consideration.

Furthermore, the price point for the respective goods at issue range from **\$1000** to **\$100,000 per article**. *See* Applicant's November 16, 2011 Response to Final Office Action, **Exhibit D**. As courts have recognized, "the greater the value of an article the more careful the typical consumer can be expected to be." *See e.g. McGregor Doniger, Inc. v. Drizzle, Inc.*, 599 F.2d 1126, 1137 (2<sup>nd</sup> Cir. 1979). The products at issue here are not typical consumer products, such as those offered side-by-side (e.g., on a shelf in a retail store). Rather, these are highly specialized, technical and expensive commercial products only offered to a sophisticated industrial consumer having specific needs. Applicant respectfully submits that the sophisticated

industrial consumer engaged in drilling oil and gas wells, as compared to the different sophisticated consumer engaged in core drilling, would have different and specific needs in the types of equipment necessary for successfully drilling such specialized wells. Given the technical nature of the different applications, in addition to the expense involved in purchasing components to be used in such specialized operations, great care will be exercised by the professional buyer before purchasing any goods.

In summary, the realities of the marketplace are such that the relevant consumers purchasing the very specialized, different, goods sold by the Applicant and Registrant under the respective different marks would not in any way be confused.

#### IV. CONCLUSION

Based on the evidence of record, the Trademark Act, and the reasons presented herein, Applicant submits that its "VULCAN" Mark is not likely to cause confusion with the cited mark of the cited registration U.S. 3,815,974, and as such, is registrable on the Principal Register. Applicant respectfully requests that the final refusals of the Examining Attorney be reversed.

Respectfully submitted,

Date: March 26, 2012

By: \_\_\_\_\_

  
Kay Lyn Schwartz

GARDERE WYNNE SEWELL LLP  
3000 Thanksgiving Tower  
1601 Elm Street  
Dallas, Texas 75201  
(214) 999-4702

ATTORNEYS FOR APPLICANT  
VAREL INTERNATIONAL IND., L.P.